

APPLICATION
for a
PUBLIC FACILITIES GRANT



Photograph of the existing
Malad City water tank.

by the
CITY OF MALAD
November 20, 2008
Mayor Spence Horsley

OFFICIAL LETTERHEAD

November 13, 2008

Don Dietrich
Idaho Commerce and Labor
P.O. Box 83720
Boise, ID 83720-0093

Dear Director:

The City of Malad respectfully submits this application for an Idaho Community Development Block Grant. Our community lacks adequate water storage to provide for emergency storage, equalization and fire suppression. We cannot add residences or allow business growth until our storage problems are resolved.

The City has completed a water study approved by DEQ. This study indicates the city is lacking 400,000 gallons of storage. The additional storage is required to allow for the future growth and safety needs of the city.

This application for a \$250,000 grant will eliminate water storage problems for 2,158 persons, of whom 55 % meets LMI standards. The community has secured \$200,000 of bond funds sold to USDA and will add another \$100,000 bond to complete the funding. The \$200,000 purchased bond was made available to the storage tank project because bids came in low for an existing project. This leaves funds available for the badly needed storage tank. The existing bond passed with 83% in favor.

We appreciate your concern and special attention to our grant request.

Sincerely,

Spence Horsley
Mayor, City of Malad

TABLE OF CONTENTS

	Page
APPLICATION INFORMATION FORM	6
ECONOMIC ADVISORY COUNCIL.....	7
THRESHOLD CRITERIA	
Eligible Applicant	8
Eligible Activities	8
National Objective	8
LMI-Area Benefit	8
Citizen Participation.....	9
Statewide Goals and Strategies	9
Administrative Capacity	9
Fair Housing.....	10
PROGRAM INCOME	10
GENERAL PROJECT DESCRIPTION	
Community Description.....	10
Community Needs Assessment.....	13
Project Description.....	14
Project Land and Permits	13
BUDGET	
ICDBG Budget Form.....	16
Budget Narrative	16
Detailed Cost Analysis.....	16
PROJECT SCHEDULE AND CONTACTS	
Project Schedule.....	18
Professional and Agency Contacts.....	18
FINANCIAL PROFILE.....	19
Financial Summary	20
Growth Management Planning	21
COMMUNITY DEMOGRAPHIC PROFILE.....	22
PUBLIC FACILITIES REVIEW AND RANKING NARRATIVE	
Program Impact.....	23
Eligible Activity Priority Ranking Sheet	23
National Objectives	
Low- and Moderate-Income Percentage	23
Need and Impact	23
PROJECT CATEGORIES	
Planning, Previous Actions and Schedule	23
COST ANALYSIS.....	24
CERTIFICATIONS SHEET.....	25

APPENDIX

Exhibit Name	Exhibit No.
CITIZEN PARTICIPATION.....	1
2008 Updated Citizen Participation Plan	
Notice of Public Hearing, October 2008	
Sign-In Sheet	
Handout	
Minutes	
ADMINISTRATIVE PROCUREMENT.....	2
RFP for administrative services	
List of administrators receiving RFP	
City Council meeting minutes making selection	
Administration contract	
ENGINEERING PROCUREMENT.....	3
Affidavit of Publication for engineering services	
City Council meeting minutes making selection	
Documentation of executed engineering contract	
LMI DOCUMENTATION.....	4
Survey Report	
Random Number list	
Sample Size Calculator Results	
Survey Instruction	
Survey Sample	
Survey Tabulations Form	
Survey Boundary Map	
ENVIRONMENTAL.....	5
Environmental Report Cover, Project Description	
Affidavit of Publication for Notice of FONSI by USDA-RD	
USDA Assessment: Environmental Review Approval, concurrence	
IDEQ concurrence letter	
IDOC Release of Funds	
FAIR HOUSING &ADA/504.....	6
Designation of Fair Housing ResourcePerson	
Fair Housing Proclamation, 2008	
Affidavit of Publication 2008	
Fair Housing Resolution Passed in November 2005	
Ordinance #459 Adopting the International Building Code	
Designation of Section 504/ADA Person	
Site Review	
Certification Form	

FUNDING.....	7
Publication of Notice of Special Revenue Bond Election	
USDA-RD Loan Approval Documentation	
Engineer Documentation of \$200,000 available	
Administrator Documentation of \$200,000 available	
Spreadsheet documenting excess funds in Contingency Category	
COST ESTIMATES	8
Cost Estimates	
Schedule	
PROJECT MAPS.....	9
Area Map Idaho	
Tank Project Location Map (Section, Township Range)	
Legal Description of Tank Site	
Site Plan	
Planning Area Map	
LETTERS OF SUPPORT	10
2008 IDEQ Letter of Support	
Oneida County Economic Development Foundation	
Malad Fire Department	
Idaho State Fire Marshal	
MAINTENANCE.....	11
Water Master Certification/Gaylen Garrett	
Maintenance Plan for Existing System	
IDAHO DEPARTMENT OF ENVIRONMENTAL QUALITY... ..	12
Letter of Support from IDEQ	
Approved Water Study Letter	
USER RATES.....	13
Current User Rate Schedule	
USDA Rate Analysis (does not include final 50 cents for \$100,000 bond)	
PLANNING	14
Malad City Community Review pages: Cover, 7 and 8	
Comprehensive Plan Pages: cover, 2 index pages, Plan pages 1,7,8,11,16	
Water Study Grant Letter	
Water Study Documentation	
SICOG Agreement to provide project Services	
Moratorium Letter from Mayor Horsley dated October 30, 2008	
ICDBG Request for Funds documenting 80% complete	

ICDBG APPLICATION INFORMATION FORM

Applicant: City of Malad Chief Elected Official: Mayor Spence Horsley
 Address: 59 Bannock Street, Malad, ID 83252 Phone: 208-766-4160
Application Prepared by: Susan Lorenz, Southeast Idaho Council of Gov. Phone: 208-233-4032 x32
 Address: P.O. Box 6079, Pocatello, ID 83205-6079
Architect/Engineer/Planner: J-U-B Engineers, Inc. Phone: 801-547-0393
 Address: 466 North 900 West Kaysville, Utah 84037

NATIONAL OBJECTIVE (MARK ONE)

☒ LMI Area ☐ LMI Clientele
☐ LMI Jobs ☐ Slum & Blight
☐ Imminent Threat

PROJECT TYPE (MARK ONE)

☒ Public Facility/
Housing ☐ Community Center
☐ Economic Development ☐ Senior Center
☐ Imminent Threat ☐ Other

PROJECT POPULATION TO BENEFIT (PERSONS): (Census/Survey/Clients/Jobs)

TOTAL # TO BENEFIT: 2,158

TOTAL # LMI TO BENEFIT: 1,187

% LMI TO BENEFIT: 55%

% MINORITY POPULATION: 2%

PROJECT DESCRIPTION: Build a 400,000 gallon concrete storage tank.

SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED/ CONTRACT AWARD DATE	DOCUMENTATION IN APPENDIX ***
ICDBG	250,000				
Local Cash**	2,000			NA	NA
Local Loan*	200,000	October 2006		June 7, 2007	Exhibit 7
Local Loan*	100,000				
USDA-RD Grant	NA				
DEQ Grant	NA				
State Grant	NA				
Foundation Grant	NA				
Private Investment	NA				
TOTAL PROJECT FINANCING	552,000				

* Identify Loan Source(s): USDA has agreed to purchase \$200,000 already bonded. Date Bond or Necessary and Ordinary Passed: November 8, 2005 with 85% pass ratio. City plans to bond for additional \$100,000.

**Describe In-Kind Match by type: City will pay for audit costs and any legal costs.

ECONOMIC ADVISORY COUNCIL

This project is made possible because bids for the existing water improvement project currently under way, came in under estimate, leaving a substantial amount of money available. This unexpected opportunity is being leveraged to finally fund the badly needed tank.

The Need

The City of Malad is in great need of additional water storage. The existing storage tank holds 500,000 gallons of water. The water study shows that the city needs additional storage of 400,000 gallons. The City does not have adequate water for fire suppression. The City also does not have adequate emergency storage. Furthermore, there is insufficient storage for equalization during peak periods of usage. The additional 400,000-gallon tank will address all three of these needs.

The system will pay for itself with user fees. The first \$200,000 has already been bonded and USDA has committed to purchase the bonds. The additional \$100,000 will be funded through a small bond. The \$100,000 bond may not be necessary. The bond is a back-up plan. It is likely that when the last bid for the current water project comes in, it will be also be low and the final \$100,000 will be available from that source. The final \$2,000 of city cash is being used to pay for legal and audit costs. USDA-RD conducted a rate analysis and determined that a rate of \$37.00 per EDU will cover costs. The city is currently charging \$37 to \$38 per average user. The amount depends on the size of the water line.

Local Effort and Commitment

The environmental review has been conducted and adopted by USDA-RD and IDEQ. Block Grant has issued a Release of Funds based on adoption of the environmental review. A public hearing was held November 12, 2008. The citizens are very much in favor of the project. Both administration and engineering services have been procured. The city conducted a complex income survey in 2005 and determined an LMI percentage of 55%. A fair housing representative has been designated, the City proclaimed April to be Fair Housing Month, and the City's Fair Housing resolution was publicized in April 2008. The city has adopted the International Building Code. In addition, the City has appointed a Section 504/ADA contact person.

Local and Regional Economic Impact

The City of Malad has been on the brink of passing a moratorium on growth because the water system cannot accommodate more users, residential or commercial, until the system is improved. Water storage must be increased an additional 400,000 gallons to meet fire suppression concerns; this will also meet future growth expectations allowing residential, business and industrial connections onto the system.

The city has selected a concrete tank that will allow for lower maintenance costs. Steel tanks require interior and exterior coatings on an ongoing basis. The concrete tank allows the engineers to focus on good design and construction practices to minimize leakage and meet the needs of the city. The cost estimates have been updated and the schedule assumes funding in April, construction start in June and completion in November 2009.

THRESHOLD CRITERIA

ELIGIBLE APPLICANT

The applicant is a City ☒ The applicant is a County ☐

The applicant is not sponsoring a sub-recipient and this is not a joint application. The project applicant is an eligible applicant. The City of Malad is a unit of government in the State of Idaho. Although the city has a current project in the category of public facilities/housing, 80% of those funds have been spent (see Exhibit 14).

ELIGIBLE ACTIVITIES


The project activities meet the eligibility requirements for CDBG funding. The project is a Public Facilities and Improvements Project. Improvement is being made to an existing water system. A certified grant administrator has been procured.

Note: Land purchase is an eligible activity for this project. However, land will not be purchased for this project using Block Grant funds. The Mayor has been in contact with the owner of the selected site. The City will purchase the land using money raised in the bond election and purchased by USDA.

NATIONAL OBJECTIVE

Low- and Moderate-Income Area Benefit

Total number of households in project benefit area: 838

 Survey* (survey requirements in Chapter 3)	<u> </u> Census (BG=Block Group) List the BG for each tract
Survey Report, Sample	Tract <u> </u> BG <u> </u> BG <u> </u> BG <u> </u> BG <u> </u>
Survey, Survey Tabulation,	Tract <u> </u> BG <u> </u> BG <u> </u> BG <u> </u> BG <u> </u>
Boundary Map** are found in	Tract <u> </u> BG <u> </u> BG <u> </u> BG <u> </u> BG <u> </u>
Appendix: Exhibit 6	

**Survey methodology and documents have prior approval from ICL staff.*

***Survey Area matches the Project Benefit Area.*

This project meets the national objective by providing a benefit to low- and moderate-income persons of at least 51%. The City has 55% LMI individuals in the population.

A survey was completed because the project area extends outside the City limits. There are some homes on the system outside the City limits. Also, City leaders did not feel the LMI percentage offered by census accurately represented the community. The City is still trying to recover from the loss of a large employer. The project area was surveyed to insure representative LMI information. Please see the Survey Report in Exhibit 4 to review survey methodology, sample survey, selected random number generation, sample size, calculator results, instructions for surveyors and the tabulation page. All system water users outside the City limits were included in the survey process.

CITIZEN PARTICIPATION

The City has had a Citizen Participation Plan for many years but updated it and passed a current version on November 12, 2008. The City held a public hearing November 12, 2008. The hearing provided an opportunity for citizens to ask questions and provide officials with feedback, comments and suggestions.

A handout was provided to each attendant and discussed the following items relating to the Block Grant: the handbook, the application, LMI benefits, project funding, location, scope, and more.

Exhibit 1 documents the Participation Plan, the meeting publication, handout, sign-in sheet and minutes related to the hearing.

Date of Notice 10/30/08 Date of Hearing 11/12/08

STATEWIDE GOALS AND STRATEGIES

The goals and strategies that correspond to the project have been identified. The water improvement project meets the following identified goal and strategy.

Goal: Preserve and enhance suitable living environments

The system does not provide adequate fire protection or emergency storage. The water system is currently out of compliance with IDEQ because there is not adequate fire protection. The existing tank does not provide sufficient storage to extinguish a fire. The city needs another 400,000 gallons of tank storage to meet emergency storage requirements. This lack creates a dangerous situation and a health hazard to the residents of Malad City.

Strategy: Improve safety and livability of communities

This project will provide adequate and safe water storage for the City of Malad. The project will bring the City into compliance with fire flow protection, and will provide the safety backup needed to provide emergency services if a well goes down or if the power should fail.

ADMINISTRATIVE CAPACITY

The applicant has no findings from previous monitoring or independent audits.

The City has procured an experienced grant administrator to assist the City with managing the Block Grant funds and to meet the related federal requirements. The administrator will assist with coordination between involved parties and help the City monitor progress. The administrator will provide written reports, maintain project files, attend periodic construction meetings and serve as labor standards officer.

See Exhibit 2 for the RFP for Administrative Services, list of three certified grant writers to whom the proposals were sent, council minutes reflecting selection of administrator, and documentation of contract.

FAIR HOUSING

A Fair Housing resolution was passed on November 11, 2005. In addition, the City adopted April as Fair Housing month and republished the resolution May 8, 2008. See Exhibit 6 for Fair Housing Proclamation, 2008 affidavit of publication, the Fair Housing Resolution and documentation of Fair Housing Representation designation. The City considers the building code to be an integral part of the Fair Housing policy. The City adopted the International Building Code by ordinance on July 20, 2005.

PROGRAM INCOME

The water tank project will not create income. The system improvements will be financed by a bond funds. No program income will be created but the loan payments will be met through user fees paid by each entity that uses the water system.

GENERAL PROJECT DESCRIPTION

COMMUNITY DESCRIPTION

The City of Malad is located in southeast Idaho, about 70 miles south of Pocatello, next to I-15. See the vicinity map in Exhibit 9 for the City's location in the State of Idaho. This is the major city (and the only city) in Oneida County and its population is 2,158. The largest employers in the area are the Oneida School District, the Oneida County Hospital and Hess Pumice. City officials believe that the city is not losing population but the officials are very concerned about allowing any growth until the 400,000 gallon tank is completed.

The City is very well managed. Malad has a comprehensive plan, a zoning ordinance, a building permit system, a subdivision ordinance and a public library. There are many state parks in the area affording plenty of recreational opportunities. The City also sports four city parks and a golf course. A covered stage was purchased in 2008 allowing for additional community events and live music.

(continued on next page)



Bannock County

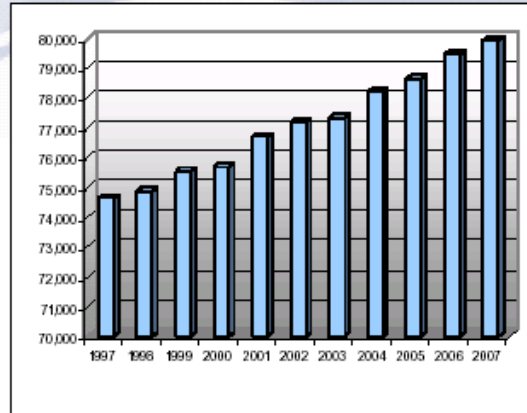
October 2008

Work Force Trends

Population

Bannock County's diverse recreational opportunities, striking scenery, access to higher education and location at the intersection of a major north-south and east-west interstate system contributes to population growth and the economy. Bannock County's population has grown from 75,565 in 2000 to 79,925 in 2007. That is an average of growth rate of about one percent per year. Population growth has been below the state's level primarily because northern Idaho and the Treasure Valley have had growth rates which rank among the top in the nation. Bannock County and southeastern Idaho are now being discovered and it is anticipated area growth rates will increase.

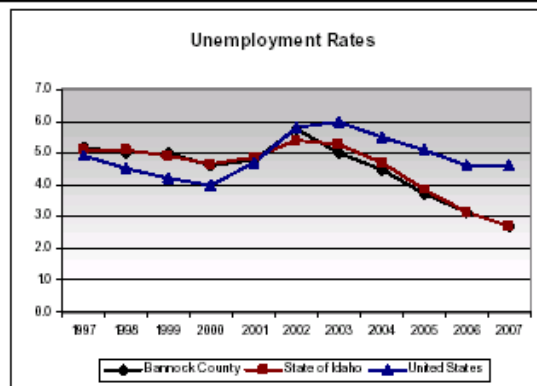
Pocatello, the county seat, is nestled in the foothills of the Portneuf River Valley. It is a major trade area for southeastern Idaho and home to Idaho State University and Pebble Creek Ski Area. Spectacular Lava Hot Springs features geothermal heated pools, which add to the year-round tourism enjoyed throughout the area.



Labor Force & Employment

Bannock County enjoys a diverse and highly-skilled labor force with an excellent work ethic. During the early 1990s, major business expansions and relocations positively affected employment in Bannock County.

Over the last decade, mining operations decreased as food manufacturing and construction activity increased dramatically. Much of the construction activity has been residential building but major commercial construction projects, such as new shopping centers, highway upgrades, Idaho Central Credit Union's state headquarters, three new motels, four new banks, and projects at Idaho State University, kept construction workers busy all year. Larger employers such as Convergys, Heinz, Quest and Varsity Contractors continue to grow and hire additional workers. The number of retail jobs have also increased dramatically the past couple of years as established business grew and



repositioned themselves in the market. In the past couple of years several new retail businesses moved into the area.

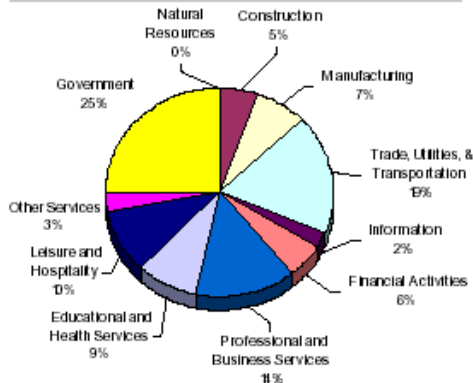
After several years of declining number of workers it appears the transportation industry is growing once again. Reversing recent trends of job consolidation Union Pacific Railroad has been steadily adding workers and the number of workers employed by truck transport employers is growing as area business activity increases. Construction work has slowed but many construction workers remain in the area anticipating more commercial construction project

Labor Force	Sep 2007	Sep 2008
Civilian Labor Force	42,617	41,856
Total Employment	41,532	39,966
Unemployed	1,086	1,890
% of Labor Force Unemployed	2.5	4.5
State of Idaho % Unemployed	2.7	5.0
U.S. % Unemployed	4.7	6.1

Labor Force	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Civilian Labor Force	38,619	39,209	39,302	38,397	37,893	38,622	39,398	39,813	40,193	40,108	40,130
Unemployment	2,013	1,951	1,959	1,764	1,805	2,225	1,968	1,786	1,492	1,258	1,082
% of Labor Force Unemployed	5.2	5.0	5.0	4.6	4.8	5.8	5.0	4.5	3.7	3.1	2.7
Employment	36,606	37,258	37,343	36,633	36,088	36,396	37,430	38,028	38,701	38,849	39,048

Prepared by Scott Hobdey, Regional Economist, Idaho Department of Labor • 430 N. Fifth Ave., Pocatello, Idaho 83205
Phone: (208) 236-6710, ext. 3713 • e-mail: scott.hobdey@labor.idaho.gov • Labor Market Information Web site: lmi.idaho.gov

Nonfarm Payroll Jobs for 2007



Industry Employment & Wages

The trade and service industries provide nearly half the jobs in Bannock County. This tends to lower the overall average of wages in the county because many of these jobs are food service jobs which are part time and pay the lowest wages. The Government sector provides a quarter of the jobs in Bannock County because Pocatello is the location of Idaho State University, the Idaho Women's Correctional Facility, FBI Western Region Customer Support Center, US Federal Court House, US Forest Service, BLM, Idaho Fish & Game as well as school districts and cities.

Wages in Bannock County are lower than in most of the United States and fall in about the middle of all Idaho counties.

Major Employers

ON Semiconductor, Inc.
Convergys Customer Management
Farm Bureau Insurance
Farmers Insurance
Heinz Frozen Foods
Idaho State University
Portneuf Medical Center
Qwest Communications
Teleperformance USA
Union Pacific Railroad

Occupational Wages*

Starting Wage

Occupational Wages*	Starting Wage
Assemblers/Production Workers	\$9.03
Cashiers & Retail Sales	\$6.19
Clerks, General Office	\$9.99
Corrections Officers	\$13.10
Customer Service Reps.	\$7.71
Home Health & Nurses Aides	\$7.69
Janitors and Cleaners	\$7.37
Maintenance & Repair Workers	\$9.87
Nurses, Registered	\$19.83
Secretaries & Admin. Assistants	\$8.46
Teachers	\$31,750.00
Telemarketers	\$7.98
Truck Drivers	\$9.35

* Additional Occupational Wage data can be found on the Department of Labor Web site at lmi.idaho.gov.

Covered Employment & Average Annual Wages Per Job for 1997, 2006, & 2007	1997		2006		2007	
	Average Employment	Average Wages	Average Employment	Average Wages	Average Employment	Average Wages
Total Covered Wages	28,116	\$22,025	34,280	\$28,267	34,892	\$29,015
Agriculture	63	\$15,635	101	\$21,398	97	\$22,627
Mining	*	*	*	*	*	*
Construction	1,822	\$23,663	1,972	\$26,891	2,012	\$28,975
Manufacturing	2,702	\$31,502	2,533	\$46,352	2,529	\$49,113
Trade, Utilities, & Transportation	5,937	\$20,163	6,244	\$25,377	6,289	\$26,203
Information	396	\$21,363	678	\$31,351	758	\$29,970
Financial Activities	1,457	\$25,304	1,744	\$36,830	1,793	\$37,162
Professional and Business Services	1,820	\$20,097	5,284	\$21,989	5,374	\$22,866
Educational and Health Services	2,432	\$24,317	3,151	\$28,094	3,290	\$28,589
Leisure and Hospitality	3,238	\$7,799	3,422	\$10,418	3,621	\$10,638
Other Services	897	\$16,543	772	\$22,641	778	\$23,351
Government	7,344	\$25,717	8,355	\$35,163	8,327	\$35,893

Per Capita Income	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bannock County	\$18,501	\$19,411	\$19,915	\$20,833	\$21,903	\$22,284	\$22,805	\$24,101	\$24,749	\$25,871
State of Idaho	\$20,648	\$21,789	\$22,786	\$24,077	\$25,024	\$25,221	\$25,524	\$27,361	\$28,301	\$29,920
United States	\$25,334	\$26,883	\$27,939	\$29,843	\$30,574	\$30,821	\$31,504	\$33,123	\$34,757	\$36,714

Information provided by Idaho Commerce & Labor.



This county is served by the office located at the address below:
 Idaho Department of Labor
 430 N. 5th Ave.
 Pocatello, ID 83205-4087 Ph: (208) 236-6710

labor.idaho.gov

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COMMUNITY NEEDS ASSESSMENT

Facilities and Infrastructure	Poor	Fair	Good	Previously ICDBG Funded
Water	X			
Sewer		X		
Electrical	X			
Fire		X		
Hospitals			X	
Housing			X	
Roads		X		
Railroads			X	
Airport		X		
Broadband	X			
Senior Center			X	
Community Center			X	
Community Recreation Facilities			X	
Employment Opportunities	X			
Other				

The City participated in the **Idaho Rural Partnership Community Review** in June 2006. This is a rigorous three-day process involving visiting teams from around the state. The community is examined and citizens questioned. A final report revealed a great need for the City to address the problems with the water system. Poor pressure was consistently reported by the citizens and was published in the final report. See Exhibit 14 for excerpts from the report.

The community's needs were assessed in a Comprehensive Plan and Capital Improvements Plan in 1996. The assessment (Exhibit 14) included discussions in County Commission, City Council and Planning and Zoning meetings in conjunction with priorities and comments expressed in the survey distributed via a local newspaper. A listening post was conducted to allow citizen input on issues identified as priorities in the surveys.

The City is conservation-oriented and already has meters and user rates that include base and cost per additional gallon (Exhibit 13). This project increased user rates an average of \$12 per user in the fall of 2006. This fee covers the cost of the existing water distribution project and \$200,000 of the water tank project. When the \$250,000 Block Grant is funded for the water tank, the City will increase the user rates an additional thirty cents (\$0.30) and bond for the final \$100,000. The project will give the citizens the tank they need and will cause such a small increase in costs that the citizens can easily pay the additional costs. It is clear that the City is creative and resourceful. They take good care of their system and have the management ability to make and enforce sound policies regarding public services.

This Water Improvement Project is strongly supported. Please see Exhibit 10 to view support letters from the Economic Development Office in Malad, the Local Fire Marshall, and the State Fire Marshall. Also see the IDEQ Letter of Support dated October 24, 2008, in Exhibit 12.

PROJECT DESCRIPTION

This project will build a 400,000 gallon concrete tank for the City of Malad. The tank will be located on land that has been identified. The owner has agreed to sell the land to the City but the sale is not yet complete. The water study was approved June 1, 2007 (see Exhibit 12).

Committed USDA loan funds will purchase the land. An archeological survey has already been completed and the Environmental Review has been conducted and adopted by USDA-RD and IDEQ. The Idaho Department of Commerce has issued a Release of Funds in acceptance of the Environmental Review.

Block Grant funds will be used to pay for administration of the funds, engineering and construction. The majority of the project is funded with city bond funds and \$2,000 of city cash for legal and audit costs.

Maps of the project area are located in Exhibit 9. The City of Malad is located in the southeast corner of the State of Idaho and is only 13 miles from the Utah border. The second map labeled Figure 2, shows the exact location of the water tank construction site. The Planning Area Map follows and indicates the City limits and areas that will be likely to contain the future growth of the city.

The user rates were analyzed by USDA (see Exhibit 13) and the increase has already been made. The City charges a base rate plus additional cost per gallon of water used. The rate schedule is available in Exhibit 13. In October 2006, user rates were increased by \$12 per user bringing the average user rate to \$37 or \$39 depending on the size of the line. The additional \$100,000 loan will require an increase of approximately \$0.30 (thirty cents) per user.

Three problems are caused by the inadequate storage facility: fire protection, emergency storage and equalization are all problems the city faces because of too little water storage capacity.

Fire protection means the City can hook up a pumper truck and draw water from the system to put out a fire. With the existing 500,000 gallons of storage a pumper truck would drain the system of all water before a fire could be extinguished. The additional storage tank will provide another 400,000 gallons meeting the requirements for fire suppression for the city. The city also falls short of needed emergency storage. If the main well went down, the City would have to get parts from Salt Lake City or Boise. The existing storage and secondary well are not adequate to meet the water needs of the citizens while a part is being delivered. The project will fulfill that need. Finally, the existing storage does not allow for equalization of pressure during peak flow times of the day. The intent of equalization storage is to make up the difference between peak hourly demands and the amount of water the system can supply through its existing sources. This project will provide enough water to meet equalization requirements for the city.

Doing nothing is not an option for this city. The City funded its existing water improvement project knowing the tank would have to be funded at a later time. With bids coming in low, the opportunity to fund the tank has presented itself and the city is working hard to make this situation meet the final needs of the city water system.

PROJECT LAND & PERMITS

1. Have any land, buildings, easements or rights-of-way been purchased for this project?
____ Yes ☒ ☒ No

How? _____
List the date of purchase _____

2. Will any land, buildings, easements or rights-of-way be needed for this project?
☒ ☒ Yes ____ No

Status of the purchase: The land for the tank is being purchased by the City. The funds used to purchase the land will be bond funds already purchased by USDA, not CDBG funds. The owner has agreed to sell the land to the city. The sale has not been completed. The land has been identified on a map that shows Section Township and Range. A legal description and map is available in Exhibit 9.

3. Is anyone living on the land or in the structures at the proposed site? ____ Yes
☒ ☒ No

4. Is any business being conducted on the land or in the structures at the proposed site?
____ Yes ☒ ☒ No

5. Are there any businesses, individuals, or farms being displaced as a result of this project?
____ Yes ☒ ☒ No

6. Are there permits that will be needed for the project; i.e. well, water rights, land application, demolition permits, zoning permit, air quality permit, etc? ☒ ☒ Yes ____ No

Status of the permits (include plan for securing permits): Easements for the rest of the system are already in place.

7. Describe the ownership/lease arrangements for the property involved in the project.
The new well site will be purchased by the city from the current owner. The land will be purchased with bond funds.

BUDGET

ICDBG BUDGET FORM

Line Item	ICDBG	City Cash	Bond* (USDA)	Bond	Total
Administrative	25,000				25,000
Land, Structures, Rights of Way			40,000		40,000
Engineering	82,000				82,000
Construction	143,000		160,000	100,000	403,000
Legal and Audit		2,000			2,000
Planning		0			0
TOTAL COSTS	250,000	2,000	200,000	100,000	552,000

*Identify funding source: USDA has already agreed to purchase the \$200,000 bond.

BUDGET NARRATIVE

The project will be funded by Block Grant funds, city cash, a bond that will be purchased by USDA and another bond. The ICDBG will contribute \$250,000 to the project. This money will be used to pay for Administration (\$25,000), Engineering services to include design and oversight (\$82,000), and a portion of the construction costs (\$143,000).

City cash will be used to pay for any legal fees that may be required and for an audit. This audit will be conducted when the project is complete.

A bond amount of \$200,000 is made available due to bids that have come in lower than anticipated for the current water improvement project. USDA has already agreed to purchase this bond amount (Exhibit 7 Project Information document). The project will fund the remainder of required funds with another bond. The final piece of the water project already under construction will be bid in March 2009. If, like the other bid, it comes in low, the final \$100,000 will not need to be bonded but will be available from extra funds in the current project. The bond funds (\$200,000) already purchased by USDA will pay for the land and part of the construction. The final \$100,000 bond funds will pay for the remainder of the construction costs.

DETAILED COST ANALYSIS

- Have preliminary plans and specs been submitted to regulatory agencies for review? Yes ☐☐ No
 If yes, list date submitted: NA
 If no, list expected date to be submitted: April 30, 2009
- Has final design (for bidding) begun? Yes ☐☐ No
 If yes, % complete: NA
 If no, what is expected start date: January 01, 2009

3. Will project include bid alternatives to meet project budget as necessary?
☒ ☒ Yes ___ No
4. Are Davis Bacon wage rates applicable? ☒ ☒ Yes ___ No
If yes, are they included in the project costs? ☒ ☒ Yes ___ No
5. Have known environmental measures been included in project budget? (ex. dust mitigation, archeological survey, storm water drainage, wetland mitigation, etc.)
☒ ☒ Yes ___ No
The archeological survey is complete and the environmental review has been approved.
6. What percent of contingency has been included in project budget? 10 %
7. List the last date the owner and design professional discussed project design and details.
Date: 10/08
8. Design Professional Cost Estimate may be found in Appendix 8.

PROJECT SCHEDULE & CONTACTS

PROJECT SCHEDULE		
Project Activity	Date (to be) Completed	Documentation in Appendix
Grant Administrator Procured	11/12/05	2
Eng/Architect Procured	11/10/04	3
Other Funding Secured	03/30/09	
Water Study Funded	3/11/05	Not relevant to app.
Contracted with Planner	1/21/04	1
Bond Election (passed bond)	11/08/05	1
LMI Survey Completed	11/10/05	6
Public Hearing Held	11/12/08	1
Designated Fair Housing Person	02/14/07	6
Adopted Refreshed Citizen Participation Plan	11/12/08	1
Fair Housing Proclamation	04/09/08	6
Adopted April Fair Housing Month/Published	05/08/08	6
Permits Identified & Secured	5/05/06	
Subrecipient Agreement Drafted	NA	NA
Environmental Review	11/2006	5
Prepared maintenance schedule for existing system	11//08	11
Environmental Review Complete	05/30/07	5
Designated ADA/504 Coordinator	02/14/07	6
Completed 504/ADA Site Review	06/20/07	6
Complete 504 Requirements	10/30/09	
Complete Fair Housing Requirements	10/30/09	
Bids Advertised for Tank	05/15/09	
Second Public Hearing	08/09	
Certificate of Substantial Completion	11/15/09	
Closeout	11/30/09	

PROFESSIONAL & AGENCY CONTACTS			
Type	Firm/Agency/Name	Phone	Topic
Engineer	J-U-B Engineers Inc	801-457-0393	Project Engineer
Attorney	Dustin Smith	208-766-2201	City Attorney
Bond Counsel	Mike Moore	208-331-1800	Bond Attorney
Funding Agency	USDA	208-785-5840	Loan/Grant
Environmental Officer	C. Fannesbeck, SICO	208-233-4032	Environmental
Permits	Scott Danielson, P&Z	208-766-4160	Permits
Regulatory Compliance	Chuck Ketterman	208-236-6160	DEQ Engineer
Public Works Director	Gaylen Garrett	208-766-3039	City Director
Accountant	Carla Benson	208-523-8811	City Auditor
Finance Officer	Terrell Schwartz	208-766-4160	City Treasurer
Business	Kathy Ray	208-766-9230	Economic Dev.

FINANCIAL PROFILE

Type of Organization

- ☒ Municipality
 ☐ Water District
 ☐ Sewer District
☐ For-Profit Company
 ☐ Non-Profit Company
 ☐ Homeowner's Association
☐ Fire District
 ☐ Hospital District
☐ Other (please explain): _____

Water System

This project is for a water system.

Water Source(s): ☒ wells ☐ river ☐ lake ☐ springs ☐ purchase ☐ other

Water Treatment Method: None but well number 1 is equipped for chlorination

- | | | |
|-----|---|------------------------|
| 1. | Number of people served by the system: | <u>2,232</u> |
| 2. | Number of hook-ups on system | <u>882</u> |
| 3. | Number of equivalent dwelling units: | <u>1,023</u> |
| 4. | EDU's on the system: | <u>1,032</u> |
| 5. | Number of residential EDU's: | <u>882</u> |
| 6. | Number of commercial EDU's: | <u>107 (hook-ups)</u> |
| 7. | Number of industrial EDU's: | <u>6 (hook-ups)</u> |
| 8. | Number of wells: | <u>2 on line</u> |
| 9. | Number of Fire Hydrants: | <u>96</u> |
| 10. | Storage Reservoir: | <u>500,000 gallons</u> |
| 11. | Water Piping (20 mi): | <u>105,600 lin ft</u> |
| 12. | Are all system users on meters? | <u>Yes</u> |
| 13. | Are meters consistently read? | <u>Yes</u> |
| 14. | For residential users, what is the average monthly rate for 10,000 gallons? | <u>\$37.00 or \$39</u> |
| | <u>Dependent of the size of the line</u> | |
| 15. | When was the last rate increase? | <u>October 2006</u> |
| | How much were the rates increased? | <u>\$12.00</u> |

Annual water system revenue

Current funds in capital improvement account
 Current funds in reserve fund
 Total dollar amount owed by customers in arrears

\$367,952.00

0
\$ 89,287.00
\$ 43,294.00

This reserve fund makes annual bond payment

Annual water system expenses

Residential Hook-up Fee
 Commercial Hook-up Fee
 Industrial Hook-up Fee

Charges based on line size not on category of user.

\$382,826

3/4" meter — \$37.00
1" meter — \$41.00
1½" meter — \$49.00
2" meter — \$63.00
3" meter — \$81.00
4" meter — \$106.00

Value and description of assets:

Land	\$	<u>40,000</u>
Buildings	\$	<u>900,000</u>
Equipment	\$	<u>2,000,000</u>
Other	\$	<u>0</u>
Total Asset Value	\$	<u>2,940,000</u>

Identify outstanding indebtedness

Debt	Years Remaining	Annual Payment	Lender
Bonds	8	\$72,000	U.S. Bank
Loans			
Other			

The above bond has a balloon payment in 2014. City reserve is partially in preparation for this final payment of \$125,000.

Explain Water Conservation Methods Implemented: Citizens are billed a base fee determined by their pipe size and they pay an additional 60 cents per 1,000 gallons above that. In addition to this, on November 12, 2008 the City was presented an award from the Department of Environmental Quality. The city participated in a voluntary DEQ program that identified potential risks to their drinking water system and identified solutions to protect the drinking water supply. They were presented with a beautiful plaque.

Section III Information

The city receives its operating funding from taxes and bonds.

The city of Malad is a taxing authority.

Do you tax? ☒ Yes ☐ No

- Was is the tax rate? .006916393
- What is the annual tax amount generated? \$453,030
- What are the taxes used for? Roads, parks, general government, fire department, payroll, contract labor, snow removal, equipment, insurance, street maintenance, animal control, police protection, utilities and phone.

FINANCIAL SUMMARY

Revenue

Taxes	<u>\$ 453,030</u>
Licenses and Permits	<u>\$ 11,293</u>
Intergovernmental	<u>\$ 274,331</u>
Charge for Services	<u>\$ 0</u>
Miscellaneous	<u>\$ 0</u>
Water	<u>\$ 367,952</u>
Trash	<u>\$ 81,890</u>
Sewer	<u>\$ 119,494</u>
Sprinkler	<u>\$ 23,350</u>
Other	<u>\$ 0</u>

Total Annual Revenue **\$1,331,340**

Total Annual Expenditures **\$1,250,025**

Growth Management Planning

When was the comprehensive plan last updated? The plan was updated in 1991; the zoning map was updated in 1996 and again in 2005.

Which of the following tools do you implement as land use measure and controls?

Land Use Tool	Yes	No
Building Codes	X	
Historical Preservation	X	
Conventional Zoning Ordinances	X	
Other Zoning Options:		
Bonus or incentive zoning		X
Transfer of development rights		X
Planned Unit Development (PUD)		X
Development agreements	X	

Do you currently implement any of the following?

Item	Yes	No
Economic Development Plan	X	
Development Impact Fees		X
Local Option Tax (resort)		X
Toll Roads		X
Distance Based Impact Fees		X
Tree City USA	X	

COMMUNITY DEMOGRAPHIC PROFILE

Name of Applicant: City of Malad

	Total Pop. In Area
TOTAL POPULATION BENEFITED (if different from city/county population in census)	
TOTAL POPULATION IN APPLICANT'S AREA	2,158
Male	1,038
Female	1,120
White	2,090
Percent of Population	96.8%
MINORITY POPULATION	
Black/African American	3
American Indian/Native Alaskan	6
Asian	5
Native Hawaiian or Pacific Islander	2
American Indian/Alaskan Native and White	2
Asian and White	6
Black/African American and White	1
American Indian/Alaskan Native and Black/African American	0
Other Multi-Racial	3
Hispanic	40
TOTAL MINORITY	68
Percent of Population	3.2%
SENIOR CITIZENS	
Total Persons 65 Years and Over	441
Percent of Population	20.4%
DISABILITY STATUS	
Civilian Non-institutionalized Population 16 to 64	1176
Percent with a Work Disability	8.6%
Civilian Non-institutionalized Population 65 Years and Over	407
Percent with a Disability	43.5%
FEMALE HEAD OF HOUSEHOLD	
Total Households	797
Female Householder, No Husband Present	50
Percent of Households	6.3%

PUBLIC FACILITIES REVIEW AND RANKING

PROGRAM IMPACT

Percentage of ICDBG Dollars in Total Project **45%**

Percentage of Local Matching Funds Compared to ICDBG Dollars: **55%**

(Local Match is \$302,000 and Block Grant is \$250,000)

Block Grant Dollars per Person: **\$116**

Local matching funds per person: **\$140**

Eligible Activity Priority Ranking Sheet

Eligibility	Points Possible	Percent of IDCBG Budget spent on Activity	Total Points Awarded	Staff Points Awarded
Health and Safety	100	57%	35	
Engineering	100	33%	55	
Administrative	100	10%	10	
Total Points awarded to project			100	

NATIONAL OBJECTIVES

Low- and Moderate-Income Percentage

LMI percentage is 55%. A telephone survey was conducted to determine the LMI percentage in the City of Malad. The methodology was pre-approved by the Department of Commerce and Labor. Please see Exhibit 4 to view the survey report, sample survey, random numbers, sample size calculator, sample survey, tabulation form, and boundary map.

Need and Impact

Need: Moderate Need – The city is 400,000 gallons short of meeting the storage standards for fire suppression, emergency storage and equalization. There is no violation from a regulatory agency but the water study indicated that the city is not adequately protected due to a shortage of water storage. The city is not able to justify allowing new users onto the system because new homes and new businesses and industries would use more water. There isn't enough water to care for the current citizens safely so adding onto the system is not appropriate. Malad is very close to the Utah border. At this time if the Economic Development Director has an inquiry from a business that wishes to relocate and needs water to conduct business, she would have to send them to another area to meet their needs. It is imperative to the future of Malad that the additional storage tank be constructed.

Impact: This project allows the community to grow and also provides fire suppression, emergency storage and equalization.

If the project is not funded, potential businesses will continue to seek other communities for relocation. Low- to moderate-income persons will continue to be unprotected in the event of a fire. If a fire truck were hooked up to the system, the current tank would be drained quickly. There would not be time to extinguish the fire. If the main water source goes down, the citizens would be without water service until a part could be delivered. And, the equalization problems will not be resolved.

If the project comes in over budget, the city will be forced to raise more money. The amount of the bond will be increased. It is not possible to cut components from the project.

Short- and long-term impacts on the city will be measured by number of new businesses and residences added to the system over time. These numbers will be collected by the Economic Development Director.

PROJECT CATEGORIES

PLANNING, PREVIOUS ACTIONS AND SCHEDULE

Design Professional: When the City of Malad determined that it was in the best interest of the City to look into making improvements to the water system, the leaders decided to act. They determined that the first thing to do would be to have an engineering study done in relation to the system and have recommendations presented to the City Council. A request for proposals was published in the area newspaper, the Idaho Enterprise, on October 7th and October 14th of 2004. The leaders wrote the advertisement to include both the water study and a water improvement project contingent upon funding. State and federal procurement requirements were followed. Only one firm responded to the request. The City was familiar with the firm and pleased to hire them as the engineer for the project. Please see Exhibit 3 for publication affidavit, selection minutes and Professional Services contract.

Grant Administration: The City hired a grant administrator according to state and federal guidelines for small purchase procurement. The City sent out requests for proposal to three different certified administrators. Only one administrator responded. The City was familiar with the administrator who responded and selected them in the meeting minutes of October 12, 2005. Please see Exhibit 2 to view documentation of request for proposal, the list of certified grant writers solicited, selection minutes and contract. The Administration contract is being amended to include additional administration services for the water tank construction.

Plan/Studies: When the City decided to address the concerns with the water system, they hired a professional planner (Exhibit 14, Professional Services Agreement to Provide Funding Management) to guide the City through the steps required to create a strong and viable project. The first step was to bring an engineering firm into the project (Exhibit 3) and to pursue a grant to help pay for a water study. Please see certified letter from DEQ granting the City of Malad a water study grant (Exhibit 14). That grant was made in March of 2005. The water study was initiated immediately. In November of 2005, the final draft was submitted to DEQ for approval and to USDA-RD for information to assist with funding requirements. The study looked at several alternatives and evaluated each. See documentation of the water study in Exhibit 14. The Water Study Approval Letter is located in Exhibit 12. Based on the results of the water study, the

engineer made recommendations to the City in September of 2005 and this project was initiated based on those recommendations. The impact of the project on the environment was addressed in the water study and no negative outcomes were identified. The LMI survey was completed in November 2006 (see Exhibit 4).

Environmental Scoping: The Environmental Scoping worksheet was completed in 2006 and in 2007, the environmental review was completed. The Environmental Review has been and adopted by DEQ and USDA and Idaho Block Grant has issued a Release of Funds (see Exhibit 5).

Agency Viability: USDA-RD has reviewed the City's financial viability profile and has determined that the City of Malad will have sufficient revenue from their rates to repay the \$2,025,000 loan. See Exhibit 13 to view user rates and USDA rate analysis. The City monthly rate requirements are \$36.00 for the existing loan. The additional \$100,000 loan will require an increase of approximately \$0.30 (thirty cents) per user.

A completed Financial Profile Worksheet appears in the application.

Property Acquisition: Please see the map in Exhibit 9 titled Tank Project Location Map. This shows where the tank will be located. Exhibit 9 contains a map showing section, township and range and following the map is a description of the land including the section, township and range and a site plan. The land will be purchased by the city with bond funds. The owner has agreed to sell the property to the city but the sale has not yet been finalized.

Funding Commitments: Please see Exhibit 7 to see documentation of funding. This exhibit contains loan and grant approval by USDA-RD and is entitled Project Information. The Exhibit also contains letters from the grant administrator and project engineer documenting the additional funds available for the tank.

Schedule: A project schedule has been completed and is located in the application. Also see Exhibit 8.

Administrative Capacity: The City of Malad is a viable agency as seen by the information presented in the application. The City has procured a professional administrator to assist with the proper handling of block grant funds (Exhibit 2). The City also hired a project planner to assist with making the project successful. The City has completed Section 504/ADA Self Evaluation and Transition Plan. See Exhibit 6 for Review and Certification of Acceptance. The procured administrator will be assisting the City in updating these important tasks. The city has passed an updated version of the Citizen Participation Plan (Exhibit 1). A Fair Housing person has been designated, a proclamation was made making April Fair Housing month and the City published the Fair Housing Resolution in April 2008 (Exhibit 6).

COST ANALYSIS

The analysis is available in the application (see page 16). Cost estimates for construction are available in Exhibit 8.